

AMENDED IN ASSEMBLY MARCH 25, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 232

Introduced by Assembly Members Hill and Fletcher
(Coauthor: Assembly Member Tran)
(Coauthor: Senator DeSaulnier)

February 5, 2009

An act to amend Section 24604 of, and to add Section ~~22336~~ 22011 to, the Education Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 232, as amended, Hill. Teachers' retirement.

The Teachers' Retirement Law establishes certain retirement benefits and procedures for the administration of those benefits to retired public schoolteachers and other persons formerly employed in connection with the schools, as specified. Existing law ~~authorizes the retired member, disabled member, or beneficiary to specify that monthly benefit payments be disbursed by direct deposit, direct mail to a financial or other institution, or by mailing to a payment address provided by the retired member, disabled member, or beneficiary. Existing law requires the Teachers' Retirement Board to send a copy of the benefit payment information to any retired member, disabled member, or beneficiary who has payments transmitted by direct deposit or by mail to a financial institution unless the board has received a written request from that person not to send a copy of the information.~~ *requires that certain documents relating to benefits under that retirement system be signed, as specified.*

This bill would require that, for an application or document requiring a signature, that signature be in a form prescribed by the retirement system, including on paper or made by electronic means.

Existing law authorizes a retired member, disabled member, or beneficiary to specify that monthly benefit payments be disbursed by direct deposit, direct mail to a financial or other institution, or by mailing to a payment address provided by the retired member, disabled member, or beneficiary. Existing law requires a member or beneficiary to whom a lump-sum payment or benefit is to be disbursed to specify the mailing address for the payment.

This bill would apply the above provisions relating to the method of receiving benefit payments and the mailing address for lump-sum payments to a member, nonmember spouse, or beneficiary. The bill would provide that a member, nonmember spouse, or beneficiary to whom a lump-sum payment or benefit is to be disbursed, and who is receiving payment for an ongoing benefit by electronic funds transfer, may have the lump-sum payment disbursed by electronic funds transfer to the financial institution on file for payment of the ongoing benefit. The bill would require the retirement system to make available an electronic copy of the benefit payment information to any member, nonmember spouse, or beneficiary who receives a monthly benefit payment. The bill would also require the retirement system to send a copy of the benefit payment information to any member, nonmember spouse, or beneficiary when there is an adjustment in the allowance, or a change in any amount deducted from the allowance.

Existing law requires the Teachers' Retirement Board to send a copy of the benefit payment information to any retired member, disabled member, or beneficiary who has payments transmitted by direct deposit or by mail to a financial institution, unless the board has received a written request from that person not to send a copy of the information.

This bill would delete the provision that requires the Teachers' Retirement Board to send a copy of the benefit payment information to any retired member, disabled member, or beneficiary who has payments transmitted by direct deposit or by mail to a financial institution. ~~The bill would also authorize the board to implement technology improvements in the delivery of benefits and services to members, participants, and beneficiaries, subject to terms and conditions established by the board, if the board finds that the means by which those services are delivered provide a level of information security at least equal to the processes specified in law.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to promote the
2 use of improvements in technology to provide services in the most
3 cost-effective and efficient manner and also to use those
4 improvements to engage in environmentally sound practices, such
5 as reducing the amount of paper documents that are mailed and
6 received.

7 ~~SEC. 2. Section 22336 is added to the Education Code, to read:~~
8 ~~22336. Notwithstanding any other provision of law, the board~~
9 ~~is authorized to implement technology improvements in the~~
10 ~~delivery of benefits and services to members, participants, and~~
11 ~~beneficiaries, subject to terms and conditions established by the~~
12 ~~board, if the board finds that the means by which those services~~
13 ~~are delivered provide a level of information security at least equal~~
14 ~~to the processes specified in law.~~

15 SEC. 2. Section 22011 is added to the Education Code, to read:
16 22011. For an application or document requiring a signature,
17 that signature shall be in a form prescribed by the system,
18 including, but not limited to, on paper or made by electronic means.
19 Notwithstanding any other law, an application or document made
20 under this part that is signed and submitted by the person
21 authorized to do so using technology and security measures
22 prescribed by the system shall be deemed to be a signed and valid
23 original document.

24 SEC. 3. Section 24604 of the Education Code is amended to
25 read:

26 24604. (a) A ~~retired member, disabled member member,~~
27 ~~nonmember spouse,~~ or beneficiary under this part shall specify
28 whether monthly benefit payments are to be disbursed by: (1)
29 direct deposit (electronic funds transfer); (2) direct mail to a
30 financial or other institution; or (3) mailing to a payment address
31 provided by the ~~retired member, disabled member member,~~
32 ~~nonmember spouse,~~ or beneficiary.

33 (b) A member, nonmember spouse, or beneficiary under this
34 part to whom a lump-sum payment or benefit is to be disbursed,
35 and who is receiving payment for an ongoing benefit by electronic

1 *funds transfer, may have the lump-sum payment disbursed by*
2 *electronic funds transfer to the financial institution on file for*
3 *payment of the ongoing benefit.*

4 ~~(b) A member or beneficiary under this part to whom a~~

5 *(c) A member, nonmember spouse, or beneficiary under this*
6 *part who is not receiving payment for an ongoing benefit by*
7 *electronic funds transfer and to whom a lump-sum payment or*
8 *benefit is to be disbursed shall specify the address to which the*
9 *payment shall be mailed.*

10 *(d) (1) The system shall make available an electronic copy of*
11 *the benefit payment information to any member, nonmember*
12 *spouse, or beneficiary under this part who receives a monthly*
13 *benefit payment.*

14 *(2) The system shall send a copy of the benefit payment*
15 *information to any member, nonmember spouse, or beneficiary*
16 *under this part when there is an adjustment in the allowance, or*
17 *a change in any amount deducted from the allowance.*

18 ~~(e) A payment disbursed as specified by the member or~~

19 *(e) A payment disbursed as specified by the member,*
20 *nonmember spouse, or beneficiary under this part shall fully*
21 *discharge the board, system, and plan from any claim resulting*
22 *from actions taken under this section.*